United Nations S/2006/1046

Security Council

Distr.: General
28 December 2006

Original: English

Letter dated 20 December 2006 from the Chairman of the Security Council Committee established pursuant to resolution 1267 (1999) concerning Al-Qaida and the Taliban and associated individuals and entities addressed to the President of the Security Council

I have the honour to transmit herewith the written assessment of the Security Council Committee established pursuant to resolution 1267 (1999) concerning Al-Qaida and the Taliban and associated individuals and entities (see annex), which was approved by the Committee on 13 December 2006. The written assessment, submitted pursuant to paragraph 17 of Security Council resolution 1617 (2005), is based on the assessment prepared by the Analytical Support and Sanctions Monitoring Team (see enclosure). I would appreciate it if the present letter and its annex could be issued as a document of the Council.

(*Signed*) César **Mayoral**
Chairman
Security Council Committee established pursuant to resolution 1267 (1999) concerning Al-Qaida and the Taliban and associated individuals and entities

07-20148 (E) 160107

Annex

Written assessment pursuant to paragraph 17 of Security Council resolution 1617 (2005)

I. Introduction

1. In paragraph 17 of its resolution 1617 (2005), the Security Council requested the Committee to provide an update of the written assessment referred to in paragraph 13 of resolution 1526 (2004) concerning actions taken by Member States to implement the measures imposed on Al-Qaida, the Taliban and their associates. The Committee asked the Analytical Support and Sanctions Monitoring Team established pursuant to resolution 1526 (2004) to make a preliminary assessment in accordance with the terms of paragraph 13, which was provided on 27 October 2006 (see enclosure). It covers the period 1 August 2005 to 30 September 2006, during which time six additional States reported pursuant to resolution 1455 (2003), bringing the total number of States reporting under this resolution to 147. In addition, 55 States submitted a checklist in accordance with paragraph 10 of resolution 1617 (2005). The Committee is grateful to the Monitoring Team for its factual assessment and frank observations, which have helped the Committee to prepare its own updated assessment, as requested by the Council.

II. Objectives and methodology

2. The primary objective of the Committee assessment is: (a) to inform the Security Council of implementation of the sanctions measures by States; (b) to identify in general terms possible areas of the sanctions regime requiring the increased attention of the Council and/or the Committee for further improvements; (c) to provide feedback to States that have reported on their sanctions implementation; and (d) to remind States of their obligation to implement the sanctions measures, and to encourage those that have yet to report, pursuant to resolution 1455 (2003), to inform the Committee of their efforts.

3. The Committee found it difficult to make a balanced and objective assessment based solely on the additional replies received from six late reporting States. The Committee's assessment is therefore based on the previous assessment prepared by the Monitoring Team, as the Team in its most recent assessment stated that "much of the Team's previous assessment, published in an annex to the Committee's report (see S/2005/761) on 6 December 2005, still holds true". The Committee also highly benefited from the information provided by the Monitoring Team on its travel to many States and international organizations and from information obtained by the Chairman of the Committee during his travel to selected States.

III. Conceptual and implementation framework

Al-Qaida/Taliban threat and the role played by sanctions

4. The sanctions regime as designed by the Security Council and implemented by States is one of the tools at the disposal of the Security Council to counter and

prevent terrorist acts planned or perpetrated by Al-Qaida and the Taliban and their associates. The Committee shares and takes seriously the Monitoring Team's observation that the threat from Al-Qaida and the Taliban is constantly changing and continues to grow. It is, therefore, of utmost importance that the sanctions are designed and implemented in such a way as to address this threat with a great deal of precision and to allow for further improvements, as necessary.

5. In addition to reporting pursuant to resolution 1455 (2003), by paragraph 10 of resolution 1617 (2005), the Security Council established a new mechanism, the "checklist", calling on States to report by 1 March 2006 to the Committee on specific actions they had taken to implement the sanctions with regard to 23 individuals and one entity placed on the Committee's list between 29 July 2005 and 31 January 2006. Although the checklist mechanism was aimed at simplifying and facilitating effective States' reporting, only 55 States had submitted their checklist by 30 September 2006.

6. The Committee is pleased to know that some States, in addition to complying with the assets freeze, travel ban and arms embargo, have implemented a number of non-mandatory measures contained in relevant Security Council resolutions, which were designed to strengthen the efficiency of the sanctions regime or enhance the capacity of the Committee (for example, through cooperation with Interpol). The Committee also agrees with the Team's assessment that key international and regional organizations could play a useful role in assisting Member States to effectively implement these measures and that the Committee could consider utilizing them in broadening its outreach to the officials on the ground who have to implement the sanctions on a daily basis.

IV. Progress achieved towards raising awareness of the Consolidated List and improving its quality

7. The Committee is pleased to note that as of 30 September 2006 the number of States that appear to circulate the Committee's list to relevant authorities and agencies had reached 169; it is however concerned that within some States amendments to the list still circulate with delays.

8. The Committee reiterates its commitment to improving the quality of the information contained in its list, being aware that Member States' ability to use it is essential for the success of the entire sanctions regime. In July, the Committee introduced the following improvements with regard to its list: (a) a standard form/cover sheet for States to use as a guide when submitting proposals for listing; this practical guidance was forwarded to all States in July and is available on the Committee's website for direct downloading and completion; (b) the introduction of permanent reference numbers for all entries on the list, allowing for more precise identification of targeted individuals and entities; and (c) the transliteration of the names on the list in their original script.

9. On 29 November, the Committee revised the whole section in its guidelines regarding its Consolidated List. In this revised section, the Committee introduced a number of improvements with a view to providing States with more transparency and guidance concerning the submission of new names for the Committee's list, and addressed concerns raised by States with regard to the fairness of its procedures.

10. It is obvious that the Committee can further improve its list only in partnership with States, in particular in enhancing its scope and accuracy. The Committee strongly believes that no reason is good enough to justify delays in the submission of new names or further identifying information on the names already on its list. In this regard, the Committee wishes to stress again that no criminal conviction is required for the submission of names to its list.

V. Successes and difficulties in States sanctions implementation

Assets freeze

11. The Committee noted information in the Monitoring Team's assessment showing that 34 States had frozen about US$ 91.2 million in financial assets, of which 74.2 per cent was frozen by three States. The Committee is concerned that not all States have fully complied with the requirements of relevant Security Council resolutions to freeze the assets of listed individuals and entities. The Committee is also concerned that targets can benefit from any lack of vigilance and diligence by States and can transfer or hide their assets. Ensuring effective action against possible terrorist financing through the assets freeze related to Al-Qaida and the Taliban and their associates is a complex and challenging task requiring synergies at the national and international levels. The Committee intends to re-examine recommendations in this area provided by the Monitoring Team in its previous reports when it considers the Team's sixth report.

12. The Committee noted with satisfaction that the suspicious transaction reporting (STR) system had proven to be an effective instrument in countering the financing of Al-Qaida and Taliban-sponsored terrorism and that at least 110 States had established financial intelligence units to provide capability to analyse STRs. While this tool still needs further improvements to address the problems reported by the Monitoring Team, including the lack of guidance on appropriate indicators for what financial institutions should look for, it has already contributed to increased awareness of the financial sanctions in banks and other financial institutions.

Travel ban

13. The Committee noted that States are making greater efforts to implement the travel ban. The Committee recognizes that implementation of the travel ban causes a great deal of difficulty to some States, whether because of the lack of details regarding some names on the Committee's list or due to the lack of technical equipment at their borders. At the same time, the Committee notes with concern that some States have omitted to report cases of violation of the travel ban by listed individuals.

Arms embargo

14. The Committee notes that implementation of the arms embargo seems to have had less effect than the financial and travel ban measures. An assessment of States' implementation in this regard continues to be difficult due to the lack of precise and specific information from States. A recently approved "Explanation of Terms" paper

on the arms embargo already forwarded to States may be helpful to States in their efforts to implement the arms embargo more efficiently. The Committee expects additional suggestions from the Monitoring Team aimed at further improving the arms embargo.

Resolution 1452 (2002)

15. Resolution 1452 (2002) was adopted by the Security Council with a view to alleviating the hardship of listed individuals (and entities) and their families by authorizing the Committee to release funds for basic and other needs. Some States frequently approach the Committee in this regard; the Committee would like to express its appreciation to the Governments of Germany and the United Kingdom of Great Britain and Northern Ireland, which constantly notify or submit requests to the Committee pursuant to this resolution, demonstrating their commitment to the implementation of sanctions and due regard for the humanitarian situations of listed individuals.

VI. Major tasks and challenges before the Committee and dialogue with States

16. The Committee has worked intensely to address various challenging sanctions-related issues. The revision of its guidelines regarding listing and de-listing procedures, an absolute priority on its agenda, however, has proven to be time consuming and more difficult to achieve than initially anticipated. It is nevertheless positive that all members, in particular several non-permanent members, have engaged in the Committee's work and actively contributed to consensus solutions.

17. The Monitoring Team, in addition to providing assistance to the Committee in its sanctions monitoring functions, in particular through its visits to selected States and relevant international organizations, has also constantly supported the Committee in reaching a better understanding of the difficulties States are facing in their implementation efforts. The Monitoring Team prepared, for the Committee's consideration, a number of analytical expert background papers, on the basis of which the Committee has been able to achieve considerable progress in its work, such as the de-listing of the names of deceased persons on the Committee's list, and guidance for States on how effectively to search the list, as well as on many other important issues.

18. The Committee expected that more States (currently seven) would show an interest in approaching the Committee for in-depth discussions of relevant issues, as the Council offered that opportunity to States in its relevant resolutions with a view to discussing in an informal setting issues of common interest, especially those requiring the Committee's assistance or action.

19. On 26 July, the Chairman of the Committee held a briefing for Member States with the aim of providing more information on the work of the Committee and responding to the queries or questions of representatives of States. Although the meeting was quite well attended, not many issues were raised. The Committee intends to explore how to structure these briefings so that they can serve as a better interactive and effective tool for a mutually beneficial exchange of views.

VII. Conclusions

20. It appears, based on the information available, that States make conscientious efforts to implement the sanctions measures as they realize that no State is immune to terrorism and its consequences. The Committee would like to see States pursue implementation of the sanctions measures with the same vigour with which they approach their highest national interests, as they can achieve further economic, social and other progress only in a world of stability and national and international security.

21. The Committee would also like the reporting cycle pursuant to resolution 1455 (2003) to be completed by obtaining and considering the remaining 44 implementation reports; as always, the Monitoring Team is ready to assist States in preparing their reports. The Committee wishes to stress that all States, including those that have already reported, should update the information provided in their reports, as appropriate, and forward it to the Committee as soon as possible. Only thus can the Committee be aware of efforts or challenges and problems encountered by States in their sanctions implementation.

22. The level of sanctions implementation differs, as is most apparent from visit reports of the Monitoring Team and the Chairman's travel to selected States. The Committee intends to address in a more vigorous manner the difficulties States face in their implementation, in particular with regard to the accuracy of the Committee's list and listing and de-listing procedures. The Committee, as already mentioned, has introduced improvements with regard to its list and is currently making additional efforts to address other problematic issues raised by States.

23. At the same time, the Committee is aware that the actual implementation of sanctions in some States might be below their capacity, and therefore it intends to deal with States' compliance, especially of those States known to be vulnerable to terrorist threat, with the assistance of the Monitoring Team, in a more systematic and focused manner, including considering possible actions to be taken to address incomplete sanctions implementation.

24. The Committee would like to believe that this report, together with the Monitoring Team's assessment, will be helpful to States, as they are primarily responsible for sanctions implementation and can eventually benefit most from the preventive effects of counter-terrorist measures, which also include sanctions. In this regard, the Committee wishes to encourage all States to be in permanent contact with the Committee, its Chairman and the Monitoring Team, especially should they need clarification or assistance with regard to their implementation efforts.

VIII. Future analytical assessments: possible improvements

25. **In order to improve the quality of future analytical assessments of sanctions implementation, the Committee may wish to consider the following suggestions:**

(a) To synchronize the timing of future comprehensive assessments with the reports requested from the Monitoring Team, and their subsequent consideration in the Committee, with the preparation of new Security Council resolutions aimed at further improving the existing sanctions measures; interim

assessments could be focused on the implementation of particular sanctions measures;

(b) To determine, in more detail, the criteria against which States' implementation performance should be evaluated and thus allow the Committee to analyse and assess more reliably to what degree States have complied with their obligations. For transparency purposes, such criteria should be communicated to all States;

(c) To continue the coordination between the Monitoring Team and relevant committees and bodies, such as the Counter-Terrorism Committee and the 1540 Committee, to allow for a better understanding of how these bodies can work together on issues of common interest while respecting the division of work under their respective mandates;

(d) To draw clear recommendations for the improvement of the sanctions regime, focusing in concrete terms on the problematic or challenging areas. During its 2004-2006 mandate, the Monitoring Team presented more than 200 various recommendations, most of them addressed to States. It might be useful to consolidate, categorize and prioritize these recommendations and share them in a user-friendly manner with Member States so that they can enhance their sanctions implementation;

(e) In the assessments, it might also be useful to specify particular implementation difficulties or problems faced by States or groups of States and to take into account some innovative approaches that States have introduced in the implementation of sanctions, as highlighted in the best practices paper prepared by the Monitoring Team, which could be beneficial to other States, especially those approaches that are easy to introduce or are cost-effective.

Enclosure

Assessment prepared by the Analytical Support and Sanctions Monitoring Team pursuant to annex I (m) to resolution 1617 (2005)

27 October 2006

Paragraph 17 assessment

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Resolution 1617 (2005), paragraph 17

"... *Reminds* the Committee of its responsibilities as outlined in paragraph 14 of resolution 1455 (2003) and paragraph 13 of resolution 1526 (2004), and calls upon the Committee to provide the Council no later than 31 July 2006 with an update of the written assessment referred to in paragraph 13 of resolution 1526 (2004) of actions taken by Member States to implement the measures described in paragraph 1 above ..."

I. Introduction

1. This report has been prepared by the Analytical Support and Sanctions Monitoring Team at the request of the 1267 Committee. It relates to the Security Council's request in paragraph 17 of resolution 1617 (2005) for an updated written assessment of Member States' implementation of the sanctions measures imposed on Al-Qaida, the Taliban and their associates.[1] The report covers the period from 1 August 2005 to 30 September 2006.

2. Much of the Team's previous assessment, published in an annex to the Committee's report (see S/2005/761) on 6 December 2005, still holds true. However, there is more to say on how States have dealt with the Consolidated List of individuals and entities to whom the measures apply (the List),[2] on how they have implemented these measures, and on action taken in respect of non-mandatory measures mentioned in resolution 1617. The Team was able to provide many of the statistics in this assessment through use of its database.

3. During this period the Committee has provided Member States with additional tools to facilitate the implementation of the sanctions regime, in particular a cover-sheet template[3] for new listing submissions and online[4] access to United Nations-Interpol Special Notices. It remains to be seen to what extent Member States will find these new tools useful.

II. Reports from Member States

A. Resolution 1455 (2003) reports

4. Between 1 August 2005 and 30 September 2006, six additional States responded, bringing the total number of Member States that have reported under resolution 1455 (2003) to 147. Each of these States used the Guidance issued by the

[1] The sanctions cover an assets freeze, travel ban and an arms embargo which apply to the individuals, groups, undertakings and entities associated with Al-Qaida and the Taliban as designated on a Consolidated List by the 1267 Committee (see para. 1 of resolution 1617 (2005)).

[2] The List can be consulted online at http://www.un.org/Docs/sc/committees/1267/pdflist.pdf for the PDF version or http://www.un.org/Docs/sc/committees/1267/tablelist.htm for the html version.

[3] The cover sheet can be downloaded from the Committee's website at http://www.un.org/Docs/sc/committees/CoverSheetEng.doc.

[4] The special notices can be consulted at http://www.interpol.int/Public/NoticesUN/Search/Recent.asp.

Committee and generally responded to all 26 questions. This leaves 44 Member States that have yet to submit a report: 24 are members of the Africa group, 9 of the Asia/Pacific group, 10 of the Latin America/Caribbean group, and 1 of the Eastern European group.

5. In September 2006, the expert groups supporting the CTC, 1267 and 1540 Committees submitted a joint paper which sets out a common strategy to deal with the issue of non-reporting States (NRS) to the 1267 and 1540 Committees and late reporting States (LRS) to the CTC. The main objective of the common strategy is to bring the current reporting round to a close and so allow the three Committees to address in a more practical way the problems and assistance needs of these NRS/LRS.

6. Resolution 1455 reports are useful in building a baseline assessment of the status of Member States' implementation of the sanctions measures. In the final analysis, whatever the current reasons for non-reporting, since all Member States have submitted at least one report to the CTC, the basic capacity must exist. Hence, if assistance is available to the 44 NRS for their resolution 1455 reports, it should be possible to collect the final pieces of information from all.

B. Checklists

7. Between 1 March and 30 September 2006, 54 States[5] returned a checklist as called upon by paragraph 10 of resolution 1617 (2005); and six others requested an extension. The checklist requested information on the 23 individuals and one entity placed on the Consolidated List between 29 July 2005 and 31 January 2006. While the checklist tool supposedly made reporting easier for Member States, the 54 States that replied generally provided only the bare minimum required. Five States gave additional detail as to how they were applying the three sanctions measures against the 24 new names; three States indicated problems or challenges with implementation, and two other States provided additional or updated information with regard to some of the 24 new names. None of the reporting Member States provided the Committee with new information on the names placed on the List prior to the checklist reporting period.

8. The fact that only 54 States have reported after seven months suggests that this tool has not led to wider or quicker reporting.

III. Contact with Member States

A. Reports on trips

1. Chairman's trips

9. Within the period covered by this assessment, the Committee Chairman, Ambassador H.E. Cesar Mayoral, visited seven States: Chad, Indonesia, Japan, Nigeria, Qatar, Saudi Arabia and Yemen, as well as the OSCE in Vienna. He also chaired the Monitoring Team's Fourth Regional Meeting for the heads and deputy

[5] An additional checklist was submitted on 17 October 2006 bringing the current total to 55 States.

heads of Intelligence and Security Services of eight Arab countries and Pakistan, held in Vienna in June 2006.

2. Monitoring Team trips

10. Within the same period the Team visited 24 States: Afghanistan, Albania, Armenia, Australia, Bosnia and Herzegovina, Croatia, Ethiopia, Georgia, Italy, Jordan, Kenya, Kyrgyzstan, Lesotho, Mozambique, Pakistan, Philippines, South Africa, Swaziland, Tajikistan, Tanzania, Thailand, Uganda, Uzbekistan and Yemen. Six of these States (Ethiopia, Georgia, Kenya, Mozambique, Swaziland and Uganda) have not yet submitted a report under resolution 1455 and 18 have not submitted a checklist under resolution 1617.

11. The Team's trips focussed on States that face a high level of threat, which have particular knowledge of the threat, or which it deemed vulnerable to the threat. All States visited demonstrated their firm commitment to the sanctions regime, but some are struggling to implement the measures, mainly through a lack of capacity. All provided useful additional information.

B. Meetings

1. Paragraph 14 of resolution 1617 (2005): briefings to the Committee

12. During the reporting period three States[6] appeared together before the Committee, as invited by paragraph 14 of resolution 1617 (2005). This briefing provided the Committee with valuable information on listing and de-listing proposals from the three States and on the due process concerns of other Member States.

13. So far only seven States have appeared before the Committee for in-depth discussion since the Security Council first offered this opportunity in January 2004, and at a briefing to Member States on 26 July 2006 the Chairman encouraged more States to take up this invitation.

2. Regional and international meetings

14. During the reporting period, the Team attended, by invitation, 31 regional and international meetings (13 in 2005 and 18 in 2006), which offered a useful opportunity to discuss with participating States (as well as international and regional organizations) issues related to the implementation of the Al-Qaida/Taliban sanctions regime.

15. In general the Team found a high level of commitment to the work of the 1267 Committee and an encouraging awareness of the List and the sanctions measures. The Team believes that key international and regional organizations can play a useful role in helping Member States to implement the measures more effectively, especially in broadening the Committee's outreach to officials on the ground who have to implement the sanctions on a daily basis.

[6] Germany, Sweden and Switzerland to present the Watson Institute paper.

3. Regional meetings for the heads of intelligence and security services

16. The Monitoring Team has, over the last two years, organized several meetings of heads of security and intelligence services. There are currently three regional groups: the first comprises Algeria, Egypt, Jordan, the Libyan Arab Jamahiriya, Morocco, Pakistan, Saudi Arabia and Yemen, and has met four times over the last two years. The second, which considers in particular the regional threat from Al-Qaida-related terrorism in Somalia, currently comprises Ethiopia, Kenya, Saudi Arabia, the Sudan, Tanzania and Yemen, as well as representatives of the Transitional Federal Government of Somalia. The third, which looks at the issues of Al-Qaida-related groups in the Sahel-Sahara region, currently comprises the Libyan Arab Jamahiriya, Mali, Mauritania, Morocco and Niger.

17. Over the reporting period the Team has held four regional meetings with three different groups: two with the first group (issues related to the sanctions against Al-Qaida and the Taliban in general), one with the second (Somalia) and one with the third (Sahel/Sahara).

18. The Team has also begun to set up a fourth group, of South-East Asian partners, which will include, among others, Indonesia, Malaysia and the Philippines.

IV. Consolidated List

A. Circulation

19. In its previous assessment, the Team reported that 146 States had said that they circulate the List (and any changes) to banks and, to a certain extent, to other financial institutions, as well as to ports of entry and other relevant authorities. Since then, an additional 23 States have reported the same, bringing the total to 169 States that appear to have mechanisms in place for proper circulation.

20. However, Team visits revealed that in many States the circulation of the List — in particular of updates — is slow, especially to border posts. With regard to the arms embargo, there is also very little information on whether and if so, how, the private sector and civilian firearms control agencies are being engaged in the implementation of this sanction measure. Lack of internal coordination, exacerbated in some cases by capacity problems, poses the main problem. Inevitably, the lack of a central database to which all agencies have easy access leads to patchy and unsynchronized circulation of the List to those that need it.

B. Provision of information for the List

21. During the period covered by this report, 20 States forwarded submissions to the Committee, either for the addition of a new name (12 submitted new names of individuals, eight submitted new names of entities), or, in addition, to provide further information on names that already appear on the List (six States). Two other States also provided additional information on individuals and one State regarding an entity.

22. Between 1 August 2005 and 30 September 2006, the Committee approved the addition to the List of 35 names of individuals and six of entities. Fourteen States

had their submissions agreed by the Committees, of which three had not made a submission before.

23. In response to Member State uncertainty about the criteria for adding names to the List, the Committee introduced a cover sheet for States to use as a guide in submitting proposals for listing. The cover sheet itemizes the information the Committee would wish to see included in any listing submission, as well as guidance for the Statement of Case that must be attached to each submission. The cover sheet has been transmitted to Member States and can be found on the Committee's website at: www.un.org/Docs/sc/committees/1267Template.htm.

C. Requests under resolution 1452 (2002)

24. Between 1 August 2005 and 30 September 2006, the Committee received 32 notifications for humanitarian exemptions under paragraph 1 (a) of resolution 1452 (2002), which brings the total to 57 since the adoption of the resolution in December 2002. The notifications concerned payments for a variety of items, including for basic expenses and accommodation (21 requests) and legal representation (11 requests).

V. Implementation of the measures

A. Implementation

1. Financial measures

25. Currently, according to all information received by the Team, 34 Member States have frozen about US$ 91.2 million in financial assets, of which 74.2 per cent (US$ 67.7 million) has been frozen by three Member States. The frozen assets represent (mainly) balances in bank and investments accounts; life insurance policies, mortgage accounts and equity shares. However, the total amount frozen excludes assets frozen by five Member States that have not specified the amounts or types of assets they have frozen.

26. While States have maintained some of the momentum generated immediately after the terrorist attacks in the United States on 11 September 2001, the depth of implementation varies among them and is affected by a number of factors, including the speed with which the Committee's listings are implemented nationally. There is a real risk that uneven implementation of the assets freeze can alert targets that their assets are about to be frozen, allowing them time to move them.

27. Overall nearly all those States that submitted a report pursuant to resolution 1455 (2003), as well as the non-reporting States visited by the Team, have indicated that they incorporate the Consolidated List in their national systems, although many need to increase awareness of the sanctions regime in non-bank financial institutions and designated professions. A greater awareness of the List among the general public could also help to prevent their use by listed parties to access the regulated financial sector indirectly.

28. "Know your customer" requirements continue to be an important instrument in many States. No State has reported any listed party attempting to open a bank

account under the listed name, but at least one State has reported that a listed party attempted to send money through their banking system.

29. The suspicious transactions reporting (STR) system has also been instrumental in countering the financing of Al-Qaida and Taliban-related terrorism. At least 110 States have established financial intelligence units to provide capability to analyse STRs. In theory STR systems are supposed to detect terrorist financial flows, but statistics indicate that most of the STRs collected globally relate to money-laundering. Although STRs relating to terrorist financing increased sharply after the attacks of 11 September 2001, a large number of States have reported that they have received no or few STRs pertaining to Al-Qaida and Taliban financing.

30. This otherwise useful tool is beset by a number of problems, including the lack of guidance on what financial institutions should look for. The lack of guidance on appropriate indicators has given rise to mixed results; too many reports are submitted for fear of regulatory sanction, or reports are not submitted because of confusion as to their purpose. In the few States where many STRs are collected, an added problem is the lack of capacity to deal with them.

31. The situation is likely to improve as many States have sent experts to attend the many international meetings that are held to discuss countering financing of terrorism and the implementation of international standards.

2. Travel ban

32. The six Member States that submitted their resolution 1455 (2003) reports and the 54 States that submitted checklists under resolution 1617 (2005), as well as the 24 States visited between August 2005 and September 2006, all reported taking the necessary measures to implement the Al-Qaida/Taliban travel ban. One Member State has adopted new legal provisions for this, five Member States have revised and updated current legislation and four Member States continue to use existing legislation. Four Member States informed the Team that they face problems with their national legislative provisions for full implementation and incorporation of the Consolidated List into their national databases. Three Member States acknowledge that they need to train staff in the implementing agencies concerned for the travel ban to have full effect.

33. Member States continue to report that the lack of detail regarding some names on the List causes them difficulty. Eight of the additional Member States considered for the purposes of this assessment have reported this problem. Several States confirm that they require a minimum of three or four identifiers to be able to include a name on their national databases. One State reported having stopped and prevented entry to an individual who had a name similar to that of a listed individual, but was unable to be sure that the identification was correct.

34. Almost all States visited by the Team said that listed individuals were included on their national watch-lists, with some cross-reference to the Consolidated List. The Team checked the immigration databases of three Member States and discovered that not all listed individuals had been included. These three databases also did not explain that listed individuals were subject to the Al-Qaida/Taliban sanctions measures.

35. Four Member States reported that they have access to the Interpol database of lost and stolen travel documents; and two others are in the process of establishing

such access. Eleven Member States reported that they have seized a certain amount of fraudulent passports used by individuals attempting to enter or leave their territories; one Member State confirmed that forged travel documents had been used by listed individuals to enter its territory, but that this was before their names were added to the List. During visits to 10 States, the Team explained the United Nations-Interpol Special Notices, in particular that these contained additional identifiers regarding listed individuals; two States confirmed that they had been receiving the notices and had disseminated them to relevant national authorities.

36. Five Member States confirmed that all national border points could check electronically the departure and arrival of all individuals from and to their territory against national watch or stop-lists. Eight Member States informed the Team that they were in the process of equipping their border points with the capacity to make such electronic searches. Eleven Member States said that the lack of relevant technical equipment made it difficult to keep their borders under sufficient control. The Team also learned that the consular offices of four Member States have electronic access to national stop-list databases; six Member States consulted said that their consular offices do not have direct access and have to submit all visa applications to their capitals for further checking.

37. Five Member States informed the Team that they have technical difficulties in coordinating cooperation between the relevant national law enforcement agencies and the national body authorized to update the Consolidated List. Twelve Member States reported that they rely on notifications from other Governments or other sources to learn of changes to the List.

3. Arms embargo

38. All information collected from the six new resolution 1455 (2003) reports, the 54 checklists submitted under resolution 1617 (2005) and the 24 States visited between August 2005 and September 2006, indicates that implementation of the Al-Qaida/Taliban arms embargo measure has not been given the same and/or as sufficient attention as the other two sanctions measures.

39. In line with the information provided in the Team's previous assessment, the Member States considered for the purposes of this report indicated that the List was provided to the relevant authorities responsible for implementation. Seven of the 24 States visited also provided information on the mechanisms they had put in place to implement the arms embargo. Unfortunately, this information was insufficient to make a thorough assessment of their effectiveness. Similarly, although some States provided information about their import/export control of military weapons, none of the six new reports submitted under resolution 1455 (2003) provided enough information to assess the overall effectiveness of the State's implementation. One State said that it had not adopted any specific legislation and relied on existing legislation to implement the embargo.

40. Three of the States visited informed the Team that they have strong, centralized control over the arms trade through their Ministry of Defence. Others said that they have only a general prohibition of arms sales, which excludes their Army and security forces. A few States also mentioned that they have exceptions, for example for hunting purposes, without detailing any mechanism by which the Consolidated List is used to check that there is no violation of the Al-Qaida/Taliban

arms embargo. Regular mention was also made of import and export controls, but no information was provided on the domestic regulations that operate in parallel.

41. None of the States visited has provided information on how it engages the private sector on implementation of the arms embargo, although it is clear that in some circumstances the private sector is involved in dealing with arms and related materiel that fall within the scope of the Al-Qaida/Taliban arms embargo. No State has provided information on how training and assistance is dealt with under its implementation of the embargo.

42. In the Team's assessment, the extent of the information provided by States on their implementation of the Al-Qaida/Taliban arms embargo is closely related to the degree of their understanding of the sanctions measure itself, and of their commitment to full implementation as part of their effort to deal with the threat of terrorism.

B. Action on non-mandatory measures

1. Paragraph 5 of resolution 1617 (2005): informing individuals and entities of their listing

43. There has been increased public debate over this period concerning the importance of informing individuals of their listing. Most States that have joined this debate have done so because they see this as an important way to improve the sanctions regime, though some have argued that they oppose any contact with terrorists. States have noted that the "request" to inform individuals of their listing in paragraph 5 of resolution 1617 (2005) appears to be more forceful than the "strongly encourages" of paragraph 18 of resolution 1526 (2004), which also covers this issue.

44. Although no State has reported to the Team, or to the Committee, that it has taken such action, several States have explained their procedure for doing so. Most have given the responsibility to their Foreign Ministry, though others argue that the publication of the name in the official government gazette is sufficient notification.

2. Paragraph 8 of resolution 1617 (2005): cooperation between the United Nations and Interpol

45. Paragraph 8 of resolution 1617 (2005) requested the Secretary-General to increase cooperation between the United Nations and Interpol to assist the Committee and Member States in their work. This enhanced cooperation resulted in December 2005 in the creation of Interpol-United Nations Security Council Special Notices for the individuals on the Consolidated List with sufficient identifiers. As of 30 September 2006, Interpol had issued 263 Special Notices (and had withdrawn one on the de-listing of the individual concerned by the Committee).

46. These Notices contain information from the List and additional identifying data supplied by Interpol. The law enforcement-confidential portion of the information supplied by Interpol, such as fingerprints, is stored in a restricted database available only to law enforcement agencies via the National Central Bureaus of Interpol Members. Versions with public data, including photographs and physical descriptions, are available on the Interpol public website, www.interpol.int.

47. The Committee and Interpol are considering whether to expand these notices to cover entities on the List. Interpol, with the Committee's endorsement, also has begun to issue posters of certain individuals on the List who are also the subject of an Interpol red notice, which is a national warrant of arrest or court order circulated at the international level. The success of these cooperative efforts between the Committee and Interpol resulted in the passage of Security Council resolution 1699 in August 2006, which requested, where appropriate, similar cooperation between Interpol and other Security Council sanctions committees. The Interpol General Assembly approved a parallel resolution in September 2006.

3. Paragraph 9 of resolution 1617 (2005): invalidation of stolen/lost passports and use of Interpol database

48. In paragraph 9 of resolution 1617 (2005), the Security Council urged all Member States to ensure that stolen and lost passports and other travel documents are invalidated as soon as possible, and share information on those documents with other Member States through the Interpol database. This was to help prevent listed individuals from using lost, stolen or fraudulent documents to circumvent, in particular, the travel ban.

49. Interpol has informed the Team that since 1 August 2005, 29 additional States have contributed to its database. The total number of contributing States is now 117 + UNMIK, and the total number of documents in the database is over 12.5 million.

VI. Threat assessment

50. The incidence of Al-Qaida-related terrorism continues to be of wide concern. Over the period there have been several attacks and several major plots have been uncovered. The evidence from subsequent investigations suggests that the current threat is still mainly from individuals who come together to form local groups, inspired by the Al-Qaida message and intent on attacking national targets. However, the increased flow of messages from the core leadership in the Afghan border area also suggests that Usama bin Laden and Ayman Al-Zawahiri still wish to give the movement some strategic direction. Visits by the leaders of home-grown cells to the border area suggest that the core leadership may retain more than symbolic importance.

51. No State has reported a diminution of the threat. In fact, particularly at the regional meetings held by the Team for the heads and deputy heads of security and intelligence services, the opinion has been unanimous that the threat continues to grow. Some also predict a re-internationalization of the Al-Qaida movement from new bases. Somalia and the Sahel/Sahara area are seen as of particular concern.

VII. Overall assessment of implementation

52. Implementation of the 1267 (1999) sanctions regime depends on the degree of relevance that States attach to resolution 1267 and its successors. If a State does not believe that the sanctions regime has much effect on their local terrorist threat they may be less likely to enforce the measures. States continue to complain that the List is out of date, inaccurate and in some cases obscure. They are also concerned that

the process of listing appears unfair and liable to legal challenge in their national courts. They would like to see clearer guidelines on de-listing.

53. The Committee is dealing with these issues, but States are of course unaware of the details of this debate and are impatient to see results. Evidence from States suggests that the sanctions regime is at a critical stage: there is considerable support, and universal acceptance of its objectives, but States would like to see greater momentum in honing the measures and the procedures associated with their application.